HollyFrontier Corp
Form DEF 14A
March 21, 2019
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF

THE SECURITIES EXCHANGE ACT OF 1934

(AMENDMENT NO.)

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement
Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
Definitive Proxy Statement
Definitive Additional Materials
Soliciting Material Pursuant to §240.14a-12

HOLLYFRONTIER CORPORATION

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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2019

NOTICE OF ANNUAL MEETING

AND PROXY STATEMENT

Wednesday, May 8, 2019, 8:30 a.m. Central Daylight Time

2727 N. Harwood St., 5th Floor, Conference Room A, Dallas, TX 75201

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March 21, 2019

NOTICE OF 2019 ANNUAL MEETING

AND PROXY STATEMENT

Dear Stockholder:

You are invited to attend the Annual Meeting of stockholders of HollyFrontier Corporation (the Company). The meeting will be held as shown below.

When:	8:30 a.m. Central Daylight Time Wednesday May 8, 2019
Where:	2727 N. Harwood St. 5th Floor, Conference Room A Dallas, Texas 75201

Items of Business

Election of 11 directors to hold office until the 2020 annual meeting of stockholders;

Approval, on an advisory basis, of the compensation of the Company s named executive officers;

Ratification of the appointment of Ernst & Young LLP as the Company s registered public accounting firm for the 2019 fiscal year.

Who Can Vote

Stockholders of record at the close of business on March 11, 2019 are entitled to receive notice of, and vote at, the Annual Meeting.

Information about the meeting is presented in the following proxy statement. Please read the enclosed information and our 2018 Annual Report carefully before voting your proxy.

Your vote is important to us. Whether or not you plan to attend the meeting, please sign, date and return the proxy card (if you have requested a paper copy of the proxy materials) or vote using the internet or telephone voting procedures described on the Notice of Internet Availability.

Thank you for your continued support of the Company. We look forward to seeing you at the Annual Meeting.

Franklin Myers

Chairman of the Board

George J. Damiris

Chief Executive Officer and President

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 8, 2019. We have elected to take advantage of the U.S. Securities and Exchange Commission rules that allow companies to furnish proxy materials to their stockholders on the internet. These rules allow us to provide information our stockholders need while lowering the costs of delivery and reducing the environmental impact of our annual meeting. **The Company s Notice of Annual Meeting, Proxy Statement and 2018 Annual Report to stockholders are available on the internet at www.proxyvote.com.**

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PROXY STATEMENT SUMMARY

This summary highlights information contained elsewhere in this proxy statement. This summary does not include all of the information you should consider, and we invite you to read the entire proxy statement and our 2018 Annual Report carefully before voting.

Annual Meeting of Stockholders

Date:	Wednesday May 8, 2019
Time:	8:30 a.m. Central Daylight Time
Place:	2727 N. Harwood St. 5th Floor, Conference Room A Dallas, Texas 75201
Record Date:	March 11, 2019

Who Can Vote:

Stockholders of record at the close of business on March 11, 2019 are entitled to receive notice of, and vote at, the Annual Meeting.

How to Vote:

If you are a stockholder of record, you may vote in person at the Annual Meeting or by proxy using any of the following methods:

By Internet	By Telephone	By Mail
Visit www.proxyvote.com	Call toll-free 1-800-690-6903 within the U.S. or Canada	Complete, sign and date the proxy card and return the proxy card in the prepaid envelope

Agenda and Voting Recommendations

Proposal	Voting Standard	Effect of Broker	Page

			Non-Votes and Abstentions	**Board s Recommendation**	
1					
	Elect 11 directors to hold office until the Company s 2020 annual meeting of stockholders	Affirmative vote of a majority of the votes cast on the matter	Abstentions and broker non-votes are not considered votes cast and will have no effect	**FOR** all nominees	10
2					
	Approve, on an advisory basis, the compensation of the Company s named executive officers	Affirmative vote of a majority of the votes cast on the matter	Abstentions and broker non-votes are not considered votes cast and will have no effect	**FOR**	27
3					
	Ratify the appointment of Ernst & Young LLP as the Company s registered public accounting firm for 2019	Affirmative vote of a majority of the votes cast on the matter	Abstentions are not considered votes cast and will have no effect	**FOR**	69

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Board Nominees

						Committee Memberships**			
Name*	Age	Director Since	Independent	Audit	Compensation	Nominating/ Corporate Governance	Environmental, Health, Safety, and Public Policy	Finance	Executive
Franklin Myers Senior Advisor of Quantum Energy Partners and Chairman of the Board of HollyFrontier Corporation	66	2011				Chairman			
George J. Damiris CEO and President of HollyFrontier Corporation and CEO and President of Holly Logistic Services, L.L.C.	58	2015							
Anne-Marie N. Ainsworth Former President and Chief Executive Officer of the general partner of Oiltanking Partners, L.P. and of Oiltanking Holding	62	2017							

Americas, Inc.									
Douglas Y. Bech Chairman and CEO of Raintree Resorts International	73	2011	**Independent** **Lead** **Director**		**Chairman**				
Anna C. Catalano Former Group Vice President, Marketing, for BP plc	59	2017							
Leldon E. Echols Former Executive Vice President and Chief Financial Officer of Centex Corporation	63	2009		**Chairman,** **Financial Expert**					
Michael C. Jennings Chairman of the Board of Holly Logistic Services, L.L.C.	53	2011							**Chairman**
R. Craig Knocke Director of Turtle Creek Trust Company, Chief Investment Manager and Portfolio Manager of Turtle Creek Management, LLC, Principal and a non-controlling	49	2019							

manager and member of TCTC Holdings, LLC								
Robert J. Kostelnik Principal at Glenrock Recovery Partners, LLC	67	2011				**Chairman**		
James H. Lee Managing General Partner and Principal Owner of Lee, Hite & Wisda Ltd.	70	2011						
Michael E. Rose Former Executive Vice President Finance and Chief Financial Officer of Anadarko Petroleum Corporation	72	2011	**Financial Expert**				**Chairman**	
		2018 Meetings	**7**	**7**	**6**	**5**	**4**	**2**

* R. Kevin Hardage previously served as an independent director and a member of the Compensation Committee and the Environmental, Health, Safety, and Public Policy Committee. Mr. Hardage did not stand for re-election at the 2018 Annual Meeting of Stockholders, and, as a result, no longer serves on our Board.

** On February 13, 2019, the Board approved the following changes to the Committee memberships effective May 1, 2019, (a) Mr. Myers will become Chairman of the Executive Committee and will join and become Chairman of the Compensation Committee, (b) Mr. Lee will become Chairman of the Nominating/Corporate Governance Committee, and (c) Mr. Jennings will replace Mr. Myers on the Finance Committee.

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Director Nominee Facts

9	2	5.7 years*	62.9*
out of 11 director nominees are independent	director nominees are women	average tenure of independent director nominees	average age of director nominees

* As of March 2019.

Governance Highlights

- All of our directors stand for re-election annually
- Separate CEO and Chairman of the Board positions
- Independent Chairman of the Board and lead director with authority and responsibility over Board governance and operations
- Annual Board and Committee self-evaluations
- Board involvement in CEO succession planning and risk management
- All of our directors attended at least 75% of the meetings of the Board and committees on which they served during 2018
- Regular executive sessions of independent directors at Board and Committee meetings
- Majority voting and director resignation policy in uncontested elections
- Company policy prohibits hedging and pledging of Company stock

Directors are subject to stock ownership requirements equal to five times the annual Board cash retainer paid to them

All of our then-serving directors attended the 2018 Annual Meeting

Mandatory retirement age of 75 for our directors

Named Executive Officers

For 2018, our named executive officers were as follows:

Name	Position
George J. Damiris	Chief Executive Officer and President
Richard L. Voliva, III	Executive Vice President and Chief Financial Officer
James M. Stump	Senior Vice President, Refining
Denise C. McWatters	Senior Vice President, General Counsel and Secretary
Thomas G. Creery	Senior Vice President, Commercial

2018 Business Highlights

The following are key highlights of our achievements in 2018:

Reported net income attributable to HollyFrontier stockholders of $1.10 billion, or $6.19 per diluted share and adjusted net income of $1.14 billion, or $6.44 per diluted share for the year.

Reported realized gross refining margins of $17.71 per produced barrel sold.

Reported operating cash flow of $1.6 billion.

Ended the year with a strong balance sheet, including $1.15 billion in cash and short-term investments and approximately $993 million in long-term debt (exclusive of debt held by Holly Energy Partners, L.P. (HEP)).

Returned $597 million to shareholders through dividends and share repurchases in 2018.

Completed the acquisition of Red Giant Oil Company LLC and entered into a definitive agreement to acquire 100% of the issued and outstanding capital stock of Sonneborn US Holdings Inc. and 100% of the membership rights in Sonneborn Cööperatief U.A. (collectively, Sonneborn), further strengthening our finished lubricants and specialty products business. The acquisition of Sonneborn was completed in February 2019.

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Executive Compensation Program

A significant portion of the total compensation paid to our executive officers is performance-based

- Vesting of 50% of the equity awards awarded to our executive officers each year is based on our performance as compared to that of our industry peers

- A majority of the annual bonus paid to our executive officers for 2018 was based on our financial, operational and environmental and safety performance as measured against pre-established goals and in certain circumstances, relative to our industry peers

None of our executive officers have employment agreements

Double-trigger change in control provisions

Minimal perquisites for our executive officers

Company policy prohibits hedging and pledging of Company stock

Executive officers are subject to significant stock ownership requirements

No tax reimbursement provisions in the change in control agreements with our executive officers

Clawback policy allows recoupment of annual and long-term incentive compensation for misconduct resulting in a material financial restatement

Annual advisory vote on executive officer compensation

At our 2018 Annual Meeting, over 93% of the votes cast by our stockholders were voted in support of our named executive officer pay program.

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Components of Our Executive Compensation Program During 2018

The components of the compensation program for our named executive officers during 2018 were:

	Component	Description	Role in Total Compensation
Cash	**Salary**	Competitive fixed cash compensation based on individual s position, level of responsibility and performance	A core element of competitive total compensation, important in attracting and retaining key executives
	Annual Incentive Cash Compensation	Variable cash payouts based on achievement of quantitative and qualitative criteria over a 12-month period	Motivates named executive officers to achieve annual strategic, operational and financial goals Recognizes individual and performance-based contributions to annual results Supplements base salary to help attract and retain qualified executives
Equity	**Restricted Stock Units**	Vest in equal installments over a three year period	Aligns executives with sustained long-term value creation and stockholder interests
	Performance Share Units	Three year performance period with specified, measurable and objective performance measures	Creates opportunity for a meaningful and sustained ownership stake
Benefits	**401(k) Defined Contribution and Health and Welfare Benefit Plans**	Executives are eligible to participate in the same benefit plans provided to other employees	Contributes toward financial security for various life events (e.g., retirement, disability or death)
	Deferred Compensation Plan	Allows participants to defer compensation in excess of qualified plan limits	Provides mechanism for additional retirement savings
Post-Termination Compensation	**Change in Control and Severance Benefits**	Provide benefits only in the event of a qualifying termination of employment following a change in control transaction	Helps mitigate possible disincentives to pursue value-added merger or acquisition transactions if employment prospects are uncertain

			Provides assistance with transition if post-transaction employment is not offered
Other	**Perquisites**	Personal use of company aircraft for CEO and CFO (subject to reimbursement of all aggregate incremental costs associated with personal use) Reimbursement of club dues Reimbursement for expenses related to security training, consulting or technology Reserved parking space Reimbursement of expenses related to certain entertainment expenses Limited benefits associated with executive team-building and strategy planning events	It is the Compensation Committee s policy that perquisites be limited and also serve a business, convenience or security purpose for the Company

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HollyFrontier Corporation

2828 North Harwood

Suite 1300

Dallas, Texas 75201

Proxy Statement

for

Annual Meeting of Stockholders

To Be Held May 8, 2019

General Information

Purpose, Place, Date and Time

This proxy statement provides information in connection with the solicitation of proxies by the Board of Directors (the Board) of HollyFrontier Corporation (the Company, we, our or us) for use at the Company s 2019 Annual Meet Stockholders or any postponement or adjournment thereof (the Annual Meeting). The Annual Meeting will be held on May 8, 2019, at 8:30 a.m., Central Daylight Time, at 2727 N. Harwood St., 5th Floor, Conference Room A, Dallas, Texas 75201. This proxy statement and the enclosed proxy card are being first made available to stockholders on or about March 21, 2019. All stockholders are invited to attend the Annual Meeting.

Internet Availability of Proxy Materials

The Company will continue to take advantage of the Notice and Access rules adopted by the U.S. Securities and Exchange Commission (the SEC), which allow public companies to deliver a Notice of Internet Availability of Proxy Materials (Notice of Internet Availability) and provide internet access to the proxy materials and annual report to their stockholders. The use of Notice and Access generates significant cost savings for the Company.

In lieu of paper copies of the proxy statement and other materials, most of our stockholders will receive a Notice of Internet Availability containing instructions on how to access the proxy materials and annual report and vote online.

Please follow the instructions on the Notice of Internet Availability for requesting paper or e-mail copies of our proxy materials and annual report. If you choose to receive future proxy materials by e-mail, you will receive an e-mail next year with instructions with links to the proxy materials, annual report and to the proxy voting site. Your election to receive proxy materials by e-mail will remain in effect until you instruct us otherwise. Choosing to receive your future proxy materials by e-mail will save the Company the cost of printing and mailing documents to you.

Voting Rights and Proxy Information

Who is entitled to vote?

Stockholders of record at the close of business on March 11, 2019 (the Record Date) are entitled to receive notice of and the right to vote at the Annual Meeting. As of the close of business on the Record Date, there were 170,765,384 shares of common stock outstanding and entitled to be voted at the Annual Meeting. Each outstanding share of common stock is entitled to one vote.

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If your shares are registered in your name with EQ Shareowner Services (formerly known as Wells Fargo Shareowner Services), the Company s transfer agent, you are considered the stockholder of record of those shares. If your shares are held in an account with a broker, bank or other nominee, you are considered the beneficial owner or holder in street name of those shares. As the beneficial owner, you have the right to direct your broker, bank or other nominee on how to vote your shares.

What am I voting on, and how does the Board recommend that I vote?

	Proposal	Board Recommendation
1	Elect 11 directors to hold office until the Company s 2020 annual meeting of stockholders	**FOR** all nominees
2	Approve, on an advisory basis, the compensation of the Company s named executive officers	**FOR**
3	Ratify the appointment of Ernst & Young LLP as the Company s registered public accounting firm for 2019	**FOR**

How do I vote if I am a stockholder of record?

If you are a stockholder of record, you may vote in person at the Annual Meeting or by proxy using any of the following methods:

- Internet visit the website shown on the Notice of Internet Availability (www.proxyvote.com) and follow the instructions at that website at any time prior to 11:59 p.m., Eastern Daylight Time, on May 7, 2019;
- Telephone within the U.S. or Canada, call toll-free 1-800-690-6903 and follow the instructions at any time prior to 11:59 p.m., Eastern Daylight Time, on May 7, 2019; or
- Mail if you have requested a paper copy of the proxy materials, complete, sign and date the proxy card and return the proxy card in the prepaid envelope. Your proxy card must be received by the Secretary of the Company before the voting polls close at the Annual Meeting.

If you vote by internet or telephone, do not return your proxy card. Submitting your proxy by internet or telephone will not affect your right to vote in person should you decide to attend the Annual Meeting. The telephone and internet voting procedures are designed to authenticate stockholders identities, to allow stockholders to give their voting instructions and to confirm that stockholders instructions have been recorded properly.

Please do not return the Notice of Internet Availability.

The Notice of Internet Availability is not a valid proxy.

How do I vote if I hold my shares in street name?

If you hold your shares in street name, you will receive instructions from your broker, bank or other nominee describing how to vote your shares. In addition, you may be eligible to vote by internet or telephone if your broker, bank or other nominee participates in the proxy voting program provided by Broadridge. If your bank, brokerage firm or other nominee is participating in Broadridge s program, your voting form will provide instructions. Beneficial owners voting by telephone or internet are subject to the same deadlines as described above for holders of record.

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What can I do if I change my mind after I submit my proxy?

If you are a stockholder of record, you can revoke your proxy prior to the completion of voting at the Annual Meeting by:

- delivering an executed, later-dated proxy that is received by the Secretary of the Company before the voting polls close at the Annual Meeting;
- resubmitting your proxy by internet or telephone at any time prior to 11:59 p.m., Eastern Daylight Time, on May 7, 2019;
- delivering a written notice of revocation of the proxy that is received by the Secretary of the Company before the voting polls close at the Annual Meeting; or
- voting in person at the Annual Meeting.

If you are a beneficial owner of shares, you may submit new voting instructions by contacting your broker, bank or other nominee. You may also vote in person at the Annual Meeting if you obtain a legal proxy from your broker, bank or other nominee.

What happens if I do not give specific voting instructions?

All properly executed proxies, unless revoked as described above, will be voted at the Annual Meeting in accordance with your instructions on your proxy. If a properly executed proxy gives no specific instructions, your shares will be voted in the manner recommended by the Board on all matters presented in this proxy statement and as the proxy holders may determine in their discretion with respect to any other matters properly presented for a vote at the Annual Meeting.

If you are a beneficial owner of shares and do not provide your broker, bank or other nominee with specific voting instructions, the rules of the New York Stock Exchange (NYSE) require that these institutions only vote on matters for which they have discretionary power to vote. If your broker, bank or other nominee does not receive instructions from you on how to vote your shares and they do not have discretion to vote on the matter, then the broker, bank or other nominee will inform the inspector of election that it does not have the authority to vote on the matter with respect to your shares, resulting in a broker non-vote.

Your broker, bank or other nominee is not permitted to vote on your behalf in the election of directors (Proposal 1) or the advisory vote on the compensation of the Company s named executive officers (Proposal 2) unless you provide specific instructions to them. Accordingly, if you do not provide timely voting instructions to your broker, bank or other nominee that holds your shares, that institution will be prohibited from voting on all of the proposals in its discretion, except the ratification of the appointment of the independent public accounting firm (Proposal 3).

How many votes must be present to hold the meeting?

A quorum is necessary for conducting a valid meeting. Holders of a majority of the outstanding shares of our common stock entitled to vote must be present, in person or by proxy, to constitute a quorum at the Annual Meeting. Abstentions (shares of the Company s common stock for which proxies have been received but for which the holders have abstained from voting) will be counted as present and entitled to vote for purposes of determining a quorum.

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What are the voting requirements for each of the matters to be voted on at the Annual Meeting?

Proposal		Vote Necessary to Approve Proposal	Broker Discretionary Voting Allowed?	Treatment of Abstentions and Broker Non-Votes
1	Election of Directors	Affirmative vote of a majority of the votes cast on the matter	No	Abstentions and broker non-votes are not considered votes cast and will have no effect
2	Advisory Vote on Executive Compensation	Affirmative vote of a majority of the votes cast on the matter	No	Abstentions and broker non-votes are not considered votes cast and will have no effect
3	Ratification of the Appointment of Ernst & Young LLP	Affirmative vote of a majority of the votes cast on the matter	Yes	Abstentions are not considered votes cast and will have no effect

How are proxies being solicited and who pays the solicitation expenses?

Proxies are being solicited by the Board on behalf of the Company. All expenses of the solicitation, including the cost of preparing and mailing this proxy statement, will be borne by the Company. The Company has retained MacKenzie Partners, Inc. to assist in the solicitation of proxies for the Annual Meeting. For these services, the Company will pay MacKenzie Partners $17,500 and will reimburse MacKenzie Partners for reasonable out-of-pocket expenses. Additionally, proxies may be solicited by our officers, directors and employees personally or by telephone, e-mail or other forms of communication. The Company may also request banks, brokerage firms, custodians, nominees and fiduciaries to forward proxy materials to beneficial owners of the Company s common stock. The costs of the solicitation, including reimbursements of any forwarding expenses, will be paid by the Company.

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Election of Directors

(Proposal 1)

Currently, the Board consists of eleven directors. Each of the Company s directors stands for election each year at the annual meeting.

Each director nominee identified below is an incumbent director whose nomination to serve on the Board was recommended by the Nominating/Corporate Governance Committee and approved by the Board. The director nominees, if elected, will serve until the 2020 annual meeting of stockholders, or until their earlier resignation or removal. Each director nominee has indicated a willingness to serve if elected.

Required Vote and Recommendation

In uncontested elections, the election of directors requires the approval of a majority of the votes cast for each director.

THE BOARD UNANIMOUSLY RECOMMENDS A VOTE FOR

THE ELECTION OF EACH OF THE DIRECTOR NOMINEES LISTED BELOW.

Franklin Myers

Director Since: 2011

Age: 66

Committees:

Nominating/Corporate Governance Committee, Chairman

Finance Committee

Executive Committee

Principal Occupation:

Senior Advisor of Quantum Energy Partners and Chairman of the Board of HollyFrontier Corporation.

Business Experience:

Mr. Myers has served as the Chairman of the Board of HollyFrontier Corporation since February 2019. Mr. Myers has served as a senior advisor of Quantum Energy Partners, a private equity firm, since February 2013. Mr. Myers served as an operating advisor to Paine & Partners, LLC, a private equity firm, from 2009 through 2012 and as Senior Advisor to Cameron International Corporation, a publicly traded provider of flow equipment products, from 2008 until 2009. He served Cameron in various other capacities, including as Senior Vice President and Chief Financial Officer from 2003 through 2008, President of Cameron s compression business from 1998 through 2001 and Senior Vice President and General Counsel from 1995 through 1999. In addition, Mr. Myers served as Senior Vice President and General Counsel of Baker Hughes Incorporated from 1988 through 1995 and as an associate and then a partner at Fulbright & Jaworski (now Norton Rose Fulbright) from 1978 through 1988.

Additional Directorships:

Mr. Myers served as a director of Frontier from 2009 until the merger in July 2011 and as a director of Forum Energy Technologies, Inc. from September 2010 until March 2018. He currently serves as a director of ION Geophysical Corporation, NCS Multistage Holdings, Inc. and Comfort Systems USA, Inc. Mr. Myers also serves as a director of WireCo WorldGroup Inc., which ceased to have a class of securities registered pursuant to Section 12 of the Exchange Act at the end of September 2016.

Qualifications:

Mr. Myers experience in senior finance and legal positions at publicly traded energy companies provides him with significant insight into operations, management and finance. In addition, Mr. Myers brings to the Board a broad range of experiences and skills as a result of his service as a director of other public and private companies.

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George J. Damiris

Director Since: 2015

Age: 58

Committee:

Executive Committee

Principal Occupation:

Chief Executive Officer and President of HollyFrontier Corporation and Chief Executive Officer and President of Holly Logistic Services, L.L.C. (HLS)

Business Experience:

Mr. Damiris has served as Chief Executive Officer and President of the Company since January 2016, as Chief Executive Officer of HLS since November 2016 and as President of HLS since February 2017. He previously served as Executive Vice President and Chief Operating Officer of the Company from September 2014 to January 2016 and as Senior Vice President, Supply and Marketing of the Company from January 2008 until September 2014. Mr. Damiris joined the Company in 2007 as Vice President, Corporate Development after an 18-year career with Koch Industries, where he was responsible for managing various refining, chemical, trading and financial businesses.

Additional Directorships:

Mr. Damiris currently serves as a director of Eagle Materials Inc. and of HLS, the general partner of the general partner of HEP.

Qualifications:

Mr. Damiris brings to the Board extensive industry experience, familiarity with the day-to-day operations of the Company and significant insight into issues facing the industry.

Anne-Marie N. Ainsworth

Director Since: 2017

Age: 62

Principal Occupation:

Former President and Chief Executive Officer of the general partner of Oiltanking Partners, L.P. and of Oiltanking Holding Americas, Inc.

Business Experience:

Committees:

Finance Committee

Environmental, Health, Safety, and Public Policy Committee

Ms. Ainsworth served as President and Chief Executive Officer of the general partner of Oiltanking Partners, L.P. and of Oiltanking Holding Americas, Inc., companies engaged in the terminaling, storage and transportation by pipeline of crude oil, refined petroleum products and liquefied petroleum gas, from 2012 until her retirement in 2014, Senior Vice President, Manufacturing of Sunoco Inc. from 2009 to 2012, and General Manager of the Motiva Enterprises, LLC Norco, Louisiana Refinery from 2006 to 2009. Prior to joining Motiva, Ms. Ainsworth served in various capacities at Royal Dutch Shell. Ms. Ainsworth is a graduate of the Institute of Corporate Directors Education Program (Rotman School of Management, University of Toronto and Haskayne School of Business, University of Calgary) and holds the ICD.D. designation.

Additional Directorships:

Ms. Ainsworth currently serves as a director of Pembina Pipeline Corporation, Archrock, Inc. and Kirby Corporation. She previously served as a director of Seventy Seven Energy Inc. until 2015.

Qualifications:

Ms. Ainsworth brings to the Board extensive experience in the oil and gas industry and strong business, operational and financial acumen from her leadership roles at other public companies.

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Douglas Y. Bech

	Principal Occupation:
Director Since: 2011	Chairman and Chief Executive Officer of Raintree Resorts International.
Age: 73	*Business Experience:*
Committees: Compensation Committee, Chairman Nominating/Corporate Governance Committee Executive Committee	Mr. Bech has served as the Chairman and Chief Executive Officer of Raintree Resorts, or its predecessors, since 1997. Raintree Resorts is engaged in resort development, vacation ownership sales and resort management. From 1970 through 1997, Mr. Bech served in various capacities, including as a partner, of several large international law firms practicing in the area of corporate finance and securities transactions.
	Additional Directorships:
	Mr. Bech served as a director of Frontier from 1993 until the merger in July 2011 and as an independent trust manager of Moody National REIT II, Inc. from 2014 until 2016. Mr. Bech has served as a director of j2 Global, Inc. since 2000 and of eFax.com from 1988 until it was acquired by j2 Global, Inc. in 2000. Mr. Bech has served as an independent trust manager of CIM Commercial Trust Corporation since 2014.
	Qualifications:
	Mr. Bech s current experience as a chief executive officer as well as his previous experience as a securities and corporate finance attorney provide him with valuable insight into corporate finance and governance, including matters regarding compensation and retention of management and key employees.

Anna C. Catalano

	Principal Occupation:
Director Since: 2017	Former Group Vice President, Marketing, for BP plc.
Age: 59	*Business Experience:*
	Ms. Catalano served in various capacities for BP plc, and its predecessor Amoco Corporation, from 1979 until her retirement in 2003, including serving as Group Vice

Committees:	President, Marketing, for BP plc from 2000 to 2003.
Compensation Committee	
	Additional Directorships:
Nominating/Corporate Governance Committee	Ms. Catalano currently serves as a director of Frontdoor, Inc., Kraton Corporation and Willis Towers Watson plc (having previously served as a director of Willis Group until the merger of Willis Group and Towers Watson & Co.). She previously served on the boards of directors of Mead Johnson Nutrition Company until May 2017 and Chemtura Corporation until June 2017.
	Qualifications:
	Ms. Catalano brings to the Board significant corporate and international business and marketing experience.

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Leldon E. Echols

	Principal Occupation:
Director Since: 2009	Former Executive Vice President and Chief Financial Officer of Centex Corporation.
Age: 63	*Business Experience:*
Committees: Audit Committee, Chairman Compensation Committee	Mr. Echols served as Executive Vice President and Chief Financial Officer of Centex Corporation from 2000 until his retirement in 2006. Before joining Centex, Mr. Echols held various positions, including managing partner, at Arthur Andersen LLP from 1978 until 2000.
	Additional Directorships:
	Mr. Echols currently is a member of the boards of directors of Trinity Industries, Inc. and EnLink Midstream Manager, LLC, the managing member of EnLink Midstream, LLC. Prior to the closing of the business combination among Devon Energy Corporation, Crosstex Energy, Inc. and Crosstex Energy, L.P. in March 2014, Mr. Echols served on the boards of directors of Crosstex Energy, L.P. and Crosstex Energy, Inc. Prior to the closing of the January 2019 simplification transaction between EnLink Midstream Partners, LP (formerly known as Crosstex Energy, L.P.), Mr. Echols served on the board of EnLink Midstream GP, LLC, the general partner of EnLink Midstream Partners, LP.
	Qualifications:
	Mr. Echols brings to the Board executive management and board experience with other public companies. Mr. Echols has extensive financial and management experience as well as financial reporting expertise and a level of financial sophistication that qualifies him as an audit committee financial expert. In addition, Mr. Echols prior and current service on audit committees of other public companies gives him a range of experiences and skills which allow him to effectively lead the Audit Committee.

Michael C. Jennings

	Principal Occupation:
Director Since: 2011	Chairman of the Board of HLS

Age: 53

Committees:

Executive Committee, Chairman

Environmental, Health, Safety, and Public Policy Committee

Business Experience:

Mr. Jennings has served as Chairman of the Board of HLS since November 2017. Mr. Jennings served as Chief Executive Officer of HLS from January 2014 to November 2016 and as President of HLS from October 2015 to February 2016. Mr. Jennings served as Chairman of the Board of the Company from January 2017 to February 2019 and January 2013 to January 2016, as Executive Chairman of the Company from January 2016 until January 2017 and as the Chief Executive Officer and President of the Company from the merger of Holly Corporation (Holly) and Frontier Oil Corporation (Frontier) in July 2011 until January 2016. Mr. Jennings previously served as President and Chief Executive Officer of Frontier from 2009 until the merger of Holly and Frontier in July 2011 and as the Executive Vice President and Chief Financial Officer of Frontier from 2005 until 2009.

Additional Directorships:

Mr. Jennings currently serves as a director of HLS, the general partner of the general partner of HEP, and FTS International, Inc. Mr. Jennings served as Chairman of the board of directors of Frontier from 2010 until the merger in July 2011 and served as a director of Frontier from 2008 to July 2011. He also served as a director of ION Geophysical Corporation from December 2010 until February 2019.

Qualifications:

Mr. Jennings brings to the Board extensive industry experience and familiarity with the day-to-day operations of the Company. He provides a significant resource for the Board and facilitates communication between management and the Board.

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R. Craig Knocke

	Principal Occupation:
Director Since: 2019	Director of Turtle Creek Trust Company, Chief Investment Manager and Portfolio Manager of Turtle Creek Management, LLC, Principal and a non-controlling manager and member of TCTC Holdings, LLC
Age: 49	
	Business Experience:
Committees: Environmental, Health, Safety, and Public Policy Committee Audit Committee	Mr. Knocke is a co-founder and has served a Director of Turtle Creek Trust Company, a private trust and investment management firm, since 2009. He currently serves as the Chief Investment Officer and has served as a Portfolio Manager at Turtle Creek Management, LLC, a registered investment advisory firm based in Dallas, Texas, since 2007. Since 2009, Mr. Knocke has served as a Principal and a non-controlling manager and member of TCTC Holdings, LLC (TCTC), a bank holding company that is a banking, securities, and investment management firm. He previously held positions as Vice President and Portfolio Manager at Brown Brothers Harriman & Co., and served in various positions at Salomon Brothers and Texas Instruments.
	Qualifications:
	Mr. Knocke brings to the Board executive and general management experience as well as significant financial expertise.

Robert J. Kostelnik

	Principal Occupation:
Director Since: 2011	Principal at Glenrock Recovery Partners, LLC
Age: 67	*Business Experience:*
Committees: Environmental, Health, Safety, and Public Policy Committee, Chairman	Mr. Kostelnik has served as a principal of Glenrock Recovery Partners since January 2012. Glenrock Recovery Partners assists energy, pipeline and terminal companies with maximizing the value of non-fungible liquid hydrocarbons and provides health, safety and environmental compliance and project management consulting services. Mr. Kostelnik served as the President and Chief Executive Officer of Cinatra Clean Technologies, Inc. from 2008 thru 2011. Cinatra provides tank cleaning systems to refining pipelines and terminals. Prior to his retirement in 2007, Mr. Kostelnik served in a number of senior positions during his 16 years with CITGO Petroleum Corporation, including as Vice

Finance Committee President of Refining. During that time, Mr. Kostelnik was responsible for, among other things, the creation & implementation of the Health, Safety & Environmental Management System as well as environmental compliance & improvement. CITGO is engaged in the refining and marketing of petro-chemical products.

Additional Directorships:

Mr. Kostelnik served as a director of Frontier from 2010 until the merger in July 2011. He currently serves on the board of directors of Methanex Corporation.

Qualifications:

Mr. Kostelnik brings to the Board significant experience and insight into the Company s industry through his extensive experience in the refining industry.

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James H. Lee

Director Since: 2011

Age: 70

Committees:

Audit Committee

Nominating/Corporate Governance Committee

Principal Occupation:

Managing General Partner and Principal Owner of Lee, Hite & Wisda Ltd.

Business Experience:

Mr. Lee has served as the Managing General Partner of Lee, Hite & Wisda Ltd., a private company with investments in oil and gas working, royalty and mineral interests, since founding the firm in 1984.

Additional Directorships:

Mr. Lee served as a director of Frontier from 2000 until the merger in July 2011 and as a director of Forest Oil Corporation from 1991 until the merger of Forest Oil Corporation and Sabine Oil & Gas LLC in December 2014. He currently serves as a director of HLS, the general partner of the general partner of HEP.

Qualifications:

Mr. Lee brings to the Board his extensive experience as a consultant and investor in the oil and gas industry, which provides him with significant insights into relevant industry issues.

Michael E. Rose

Director Since: 2011

Age: 72

Committees:

Finance Committee, Chairman

Principal Occupation:

Former Executive Vice President Finance and Chief Financial Officer of Anadarko Petroleum Corporation.

Business Experience:

Prior to his retirement in 2004, Mr. Rose served in a number of senior positions during his 26 years with Anadarko Petroleum Corporation, most recently serving as Executive Vice President Finance and Chief Financial Officer of Anadarko from 2000 until his retirement.

Audit Committee

Additional Directorships:

Mr. Rose served as a director of Frontier from 2005 until the merger in July 2011.

Qualifications:

Mr. Rose brings to the Board significant financial and investment experience with oil and gas companies. He also qualifies as an audit committee financial expert.

On February 13, 2019, the Board approved the following changes to the Board Committee memberships effective May 1, 2019, (a) Mr. Myers will become Chairman of the Executive Committee and will join and become Chairman of the Compensation Committee, (b) Mr. Lee will become Chairman of the Nominating/Corporate Governance Committee, and (c) Mr. Jennings will replace Mr. Myers on the Finance Committee.

None of our director nominees reported any litigation for the period from 2009-2019 that is required to be reported in this proxy statement. There are no family relationships among any of our directors or executive officers.

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Corporate Governance

The Board and senior management believe that one of their primary responsibilities is to promote a corporate culture of accountability, responsibility and ethical conduct throughout the Company. The Company is committed to maintaining the highest standard of business conduct and corporate governance, which we believe is essential to operating our business efficiently, maintaining our integrity in the marketplace and serving our stockholders.

Consistent with these principles, the Company has adopted a Code of Business Conduct and Ethics and Corporate Governance Guidelines. These documents, together with our certificate of incorporation, by-laws and the Board committee charters, form the framework for our governance. Copies of the Code of Business Conduct and Ethics, Corporate Governance Guidelines, certificate of incorporation, by-laws, Audit Committee Charter, Compensation Committee Charter, Environmental, Health, Safety, and Public Policy Committee Charter and Nominating/Corporate Governance Committee Charter are publicly available on our website at *www.hollyfrontier.com* and may also be obtained free of charge upon written request to HollyFrontier Corporation, 2828 North Harwood, Suite 1300, Dallas, Texas 75201, Attention: Director, Investor Relations.

Board Leadership Structure

In accordance with our Corporate Governance Guidelines, our Board is responsible for selecting the Board leadership structure that is in the best interests of the Company. Our Board, at this time, has determined that a leadership structure consisting of separate Chief Executive Officer and Chairman of the Board roles, together with a strong lead independent director, is appropriate for the Company. Currently, Mr. Myers serves as our independent Chairman of the Board, and Mr. Damiris serves as our Chief Executive Officer and President.

The Board believes that at this time the separation of these positions and the establishment of both an independent Chairman of the Board and an independent lead director, enhances both the oversight of management by the Board and the Company s overall leadership structure. As a result of his experience at publicly traded energy companies, Mr. Myers has industry-specific experience and expertise and as Chairman of the Board can identify strategic priorities, lead the discussion and execution of strategy and facilitate the flow of information between management and the Board.

In addition, in order to reinforce effective, independent leadership on the Board, and in recognition of his demonstrated leadership skills, the Board has appointed Mr. Bech as lead director. The lead director s responsibilities are set forth in the Company s Corporate Governance Guidelines and include:

- presiding over executive sessions of the Board s independent directors and at all meetings of the Board at which the Chairman of the Board is not present;

- communicating matters discussed at the executive session to the Chairman of the Board and Chief Executive Officer, as appropriate;

- calling meetings of independent directors as desirable or necessary;

serving as a liaison between the Chief Executive Officer, the Chairman of the Board and the independent directors;

advising and consulting with the Chairman of the Board, the Chief Executive Officer and the chairperson of each committee regarding Board and committee meetings, as necessary, desirable or appropriate;

maintaining regular contact with the Chairman of the Board and Chief Executive Officer to provide access for any issue that may arise and assist in communication, if appropriate, and to ensure that there is a steady, relevant, meaningful and effective information flow from management to the Board;

approving in advance, in consultation with the Chairman of the Board and Chief Executive Officer, agendas, schedules and related information for all meetings of the Board; and

advising and consulting with the Chairman of the Board and Chief Executive Officer as to the quality, quantity and timeliness of the information submitted by the Company s management to, and other communications with, the independent directors.

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The Board has established a policy that its non-management directors periodically meet in executive session, without members of management present. If the lead director is unable to attend a meeting of the non-management directors, then the non-management directors will designate an independent director to preside at the meeting.

We believe that the foregoing structure, policies and practices, when combined with the Company s other governance policies and procedures, provide appropriate opportunities for oversight, discussion and evaluation of decisions and direction from the Board, and are in the best interest of our stockholders.

Board Oversight of Risk Management

The Board oversees management of risk, including cyber security. The Board regularly reviews information regarding the Company s business and operations, including the key operational and/or financial risks. As described below, consistent with SEC regulations and NYSE requirements, the Board committees are also engaged in overseeing risk associated with the Company.

- The Audit Committee oversees management of exposure to financial risks and data system risks.

- The Compensation Committee oversees the management of risks relating to the Company s executive compensation plans and incentive structure.

- The Nominating/Corporate Governance Committee oversees the Company s ethics and compliance programs.

- The Environmental, Health, Safety, and Public Policy Committee oversees the management of risks associated with the environment, health, safety and public policy.

- The Finance Committee oversees the management of risks relating to the Company s capital allocation and capital investment strategies.

While each committee is responsible for evaluating certain risks and overseeing the management of those risks, the full Board is ultimately responsible for overseeing the Company s risk exposures and management thereof, and the Board is regularly informed on these matters through committee and senior management presentations.

The Board also receives input from the Company s Risk Management Oversight Committee on management s views of the risks facing the Company. This committee is made up of management personnel and monitors the risk environment for the Company as a whole. This committee also supports the efforts of the Board and the Board committees to monitor and evaluate guidelines and policies governing the Company s risk assessment and management.

Director Independence

Board of Directors. NYSE listing requirements and our Corporate Governance Guidelines require that at least a majority of the Board meet the NYSE criteria for independence. The Board has determined that each of Mses. Ainsworth and Catalano and Messrs. Bech, Echols, Knocke, Kostelnik, Lee, Myers and Rose is independent under the NYSE independence standards. The Board previously determined that Mr. Hardage was independent under the NYSE independence standards during his service on the Board. Mr. Damiris is deemed not to be independent because he is an employee of the Company, and Mr. Jennings is not independent because he does not meet the independence requirements under the NYSE listing standards.

Audit Committee. The Board has determined each member of the Audit Committee is independent as defined by the NYSE listing standards and Rule 10A-3 of the Securities Exchange Act of 1934 (the Exchange Act).

Compensation Committee. The Board has determined each member of the Compensation Committee is independent as defined by the NYSE listing standards. For each member of the Compensation Committee, the Board considered all factors specifically relevant to determining whether a director has a relationship to the Company that is material to that director s ability to be independent from management in connection with the duties of a Compensation Committee member, including the sources of such director s compensation, such as any consulting, advisory or other compensatory fees paid by the Company, and whether the director has an affiliate relationship with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company. The Board previously determined that Mr. Hardage was independent as defined by the NYSE listing standards during his service on the Compensation Committee.

Nominating/Corporate Governance Committee. The Board has determined each member of the Nominating/Corporate Governance Committee is independent as defined by the NYSE listing standards.

Environmental, Health, Safety, and Public Policy Committee. The Board has determined each member of the Environmental, Health, Safety, and Public Policy Committee, other than Mr. Jennings, is independent as defined by the NYSE listing standards. The Board previously determined that Mr. Hardage was independent as defined by the NYSE listing standards during his service on the Environmental, Health, Safety, and Public Policy Committee.

Finance Committee. The Board has determined each member of the Finance Committee is independent as defined by the NYSE listing standards.

Independence Determination. In making its independence determinations, the Board considered certain transactions, relationships and arrangements. In determining Mr. Hardage s independence during his service on the Board, and in determining Mr. Knocke s independence in connection with his nomination to the Board, the Board considered that each of Mr. Hardage and Mr. Knocke is a non-controlling manager and member of TCTC and Mr. Knocke is also a Principal of TCTC (which may be deemed to beneficially own 7.36% of the Company s common stock) and holds various other positions with TCTC s subsidiaries. The Board previously determined that this relationship did not impair the independence of Mr. Hardage during his service on the Board and does not impair the independence of Mr. Knocke.

Director Nominations

Qualifications

In considering nominees for election as director, the Nominating/Corporate Governance Committee considers a number of factors, with an objective of having a board with diverse backgrounds and experiences. The Nominating/Corporate Governance Committee is also responsible for recommending the nomination of incumbent directors it deems appropriate for re-election to the Board and, if applicable, reappointment to any committees of the Board on which such director serves.

The Nominating/Corporate Governance Committee nominated Mr. Knocke to the Board in January 2019, and the Board appointed Mr. Knocke to the Board in February 2019. Mr. Knocke was recommended to our former Chairman of the Board, Mr. Jennings, by one of our security holders. The Nominating/Corporate Governance Committee reviewed his qualifications in the same manner as it reviews other potential candidates, as described below.

Characteristics expected of all directors include integrity, exceptional talent and judgment, and the ability and willingness to commit adequate time to the Board. In evaluating the suitability of individual board members, the committee takes into account many factors, including the candidate s knowledge of the communities in which the Company does business, the Company s industry, or other industries relevant to the Company s business or other organizations of comparable size, as well as personal qualities, background and reputation. The Board also considers the diversity of race, gender, culture, age, knowledge, viewpoints, background, experience and skill when evaluating candidates. Subject to its fiduciary duties, applicable law and regulations and membership of the Board at the applicable time, when searching for new Board members, the Nominating/Corporate Governance Committee shall endeavor to identify highly qualified diverse candidates, including women and individuals from minority groups, to include in the pool of candidates as provided in the immediately preceding sentence from which Board nominees may be chosen.

Pursuant to our Corporate Governance Guidelines, the Nominating/Corporate Governance Committee will not recommend to the Board the nomination of any director or nominee who has attained or will attain the age of 75 prior to the annual meeting at which he or she would be elected or re-elected. The Board may approve an exception to this policy on a case by case basis.

Stockholder Recommendations

The Nominating/Corporate Governance Committee will consider recommendations of potential director candidates from stockholders based on the same criteria as a candidate identified by the Nominating/Corporate Governance

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Committee. Stockholders may submit such a recommendation by sending a letter to the Secretary of the Company at the Company s principal executive offices. The mailing envelope must contain a clear notation indicating that the enclosed letter is a Director Nominee Recommendation.

To be considered, recommendations must be submitted in writing no less than 90 days and no more than 120 days prior to the anniversary date of the immediately preceding annual meeting of stockholders in compliance with the notice procedures and informational requirements set forth in Article III, Section 12 of the Company s By-Laws. A stockholder s notice must include the following:

- the name of the stockholder recommending the director candidate and the class and number of shares of common stock which are beneficially owned by the stockholder;
- a written statement by the director candidate agreeing to being named in the Company s proxy materials and to serve as a member of the Board if nominated and elected; and
- all other information relating to the nominating stockholder or director candidate that would be required to be disclosed in a proxy statement relating to an election of directors, or that is otherwise required by Regulation 14A under the Exchange Act or Article III, Section 12 of the Company s By-Laws.

For more information, see Additional Information Stockholder Proposals.

Communications with the Board

Any stockholder or other interested party may communicate with the non-management directors by e-mailing the lead director at presiding.director.HFC@hollyfrontier.com or writing to: Lead Director, c/o Secretary, HollyFrontier Corporation, 2828 N. Harwood, Suite 1300, Dallas, Texas 75201. Communications to the Board generally may be sent certified mail to HollyFrontier Corporation, 2828 N. Harwood, Suite 1300, Dallas, Texas 75201, Attention: Secretary. The Secretary will forward all communications to the appropriate director or directors, other than those communications that are merely solicitations for products or services or relate to matters that are of a type that are clearly improper or irrelevant to the functioning of the Board or the business and affairs of the Company.

Code of Conduct

The Company has adopted a Code of Business Conduct and Ethics applicable to all directors, officers and employees. The purpose of this Code is to, among other things, affirm the Company s commitment to the highest standards of business conduct and ethics, integrity and compliance reporting in accordance with all applicable laws. The Code sets forth a common set of values and standards to which all of the Company s directors, officers and employees must adhere. The Company will post information regarding any amendment to, or waiver from, its Code of Business Conduct and Ethics on its website under the Investor Relations tab.

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The Board, Its Committees and Its Compensation

The Board

Under the Company s Corporate Governance Guidelines, Board members are expected to devote the time reasonably necessary to discharge their responsibilities and to prepare for and, to the extent reasonably practicable, attend and participate in all meetings of the Board and Board committees on which they serve. The Board meets at least quarterly. During 2018, the Board held 10 meetings. Each then-current director attended at least 75% of the total number of meetings of the Board and committees on which he or she served during the period he or she was a director.

The Company does not have a policy regarding director attendance at the annual stockholder meeting. All of our then-current directors attended the 2018 annual meeting of stockholders.

Board Committees

The Company currently has six standing committees:

- an Audit Committee;
- a Compensation Committee;
- a Nominating/Corporate Governance Committee;
- an Environmental, Health, Safety, and Public Policy Committee;
- a Finance Committee; and
- an Executive Committee.

Other than the Executive Committee, each of these committees operates under a written charter adopted by the Board. The Executive Committee operates pursuant to authority that is specifically delegated to it by the Board, and such delegated authority may be revoked at any time.

Upon the Nominating/Corporate Governance Committee s recommendations, the Board elects committee members annually. The table below sets forth the number of meetings held by each Committee in 2018:

Board Committee	Number of Meetings in 2018
Audit Committee	7
Compensation Committee	7
Nominating/Corporate Governance Committee	6
Environmental, Health, Safety, and Public Policy Committee	5
Finance Committee	4
Executive Committee	2

Audit Committee

The Audit Committee oversees our accounting and financial reporting processes and the audits of the Company s financial statements. In addition, the Audit Committee oversees management of exposure to financial risks and data system risks. The functions and responsibilities of the Audit Committee pursuant to its charter include:

- appointing, compensating, retaining and overseeing the Company s independent registered public accounting firm and conducting an annual review of the independence of that firm;

- pre-approving all audit and permitted non-audit services to be performed by the Company s independent registered public accounting firm;

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- at least annually, reviewing the independence and quality-control procedures of the independent registered public accounting firm and the experience and qualifications of the independent registered public accounting firm s senior personnel that are providing audit services to the Company;

- reviewing the findings and recommendations of the independent registered public accounting firm;

- reviewing the scope and the planning of the annual audit with management, the independent registered public accounting firm and the internal auditor;

- reviewing the annual audited financial statements and quarterly financial statements with management and the independent registered public accounting firm;

- overseeing the internal audit function;

- reviewing and discussing the Company s internal controls over financial reporting with management and the independent registered public accounting firm;

- establishing procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or accounting matters;

- establishing procedures for the receipt, retention and treatment of complaints received by the Company regarding potential violations of applicable laws, rules and regulations or of the Company s codes, policies and procedures;

- establishing procedures for the confidential and anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters or questionable compliance matters;

- reviewing, and if appropriate, approving transactions involving conflicts of interest, including related party transactions, when required by the Code of Business Conduct and Ethics;

- reviewing and approving the Audit Committee Report to be included in the annual proxy statement; and

- reviewing the adequacy of the Audit Committee charter on an annual basis.

Our independent registered public accounting firm reports directly to the Audit Committee. Each member of the Audit Committee has the ability to read and understand fundamental financial statements, and each of Mr. Echols and Mr. Rose meets the requirements of an audit committee financial expert as defined by the rules of the SEC.

Compensation Committee

The Compensation Committee establishes and administers the Company s policies, programs and procedures for compensating executive officers and the Board and oversees the management of risks relating to the Company s executive compensation plans and arrangements. The functions and responsibilities of the Compensation Committee pursuant to its charter include:

- evaluating the performance and approving the compensation of the Chief Executive Officer and, in consultation with the Chief Executive Officer, the Company s other executive officers;
- reviewing and approving the Company s executive compensation programs and corporate goals and objectives relative to the compensation of the Company s executive officers;
- reviewing director compensation and making recommendations to the Board regarding the same;
- administering and making recommendations to the Board with respect to the Company s equity incentive plans;
- reviewing succession planning for Company management and making recommendations to the Board regarding the same;
- overseeing the preparation of the Compensation Discussion and Analysis to be included in the annual proxy statement;
- preparing the Compensation Committee Report to be included in the annual proxy statement; and
- reviewing the adequacy of the Compensation Committee charter on an annual basis.

The Compensation Committee also has the authority to retain, compensate, direct, oversee and terminate outside counsel, compensation consultants and other advisors hired to assist the Compensation Committee. Since September

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2011, the Compensation Committee had retained Pearl Meyer & Partners (Pearl Meyer) as its independent compensation consultant for matters related to executive and non-management director compensation. In selecting Pearl Meyer as its independent compensation consultant, the Compensation Committee had assessed the independence of Pearl Meyer pursuant to SEC rules and considered, among other things, whether Pearl Meyer provides any other services to us, the fees paid by us to Pearl Meyer as a percentage of Pearl Meyer s total revenues, the policies of Pearl Meyer that are designed to prevent any conflict of interest between Pearl Meyer, the Compensation Committee and us, any personal or business relationship between Pearl Meyer and a member of the Compensation Committee or one of our executive officers and whether Pearl Meyer owned any shares of our common stock. In addition to the foregoing, the Compensation Committee had received an independence letter from Pearl Meyer, as well as other documentation addressing the firm s independence. Pearl Meyer reported exclusively to the Compensation Committee and did not provide any additional services to us. The Compensation Committee discussed these considerations and concluded that Pearl Meyer was independent and that we did not have any conflicts of interest with Pearl Meyer. Pearl Meyer provided information and advice to the Compensation Committee during 2017 relating to non-employee director and executive compensation matters for 2018.

In December 2017, the Compensation Committee engaged Meridian Compensation Partners, LLC (Meridian), who replaced Pearl Meyer as the independent compensation consultant to the Compensation Committee, to provide advice relating to executive compensation matters. Meridian did not provide any information or advice to the Compensation Committee with respect to establishing the compensatory arrangements for our NEOs in 2018; however, they did advise the Compensation Committee during 2018 with respect to those pre-established arrangements. In selecting Meridian as its independent compensation consultant, the Compensation Committee assessed the independence of Meridian pursuant to SEC rules and considered, among other things, whether Meridian provides any other services to us, the fees paid by us to Meridian as a percentage of Meridian s total revenues, the policies of Meridian that are designed to prevent any conflict of interest between Meridian, the Compensation Committee and us, any personal or business relationship between Meridian and a member of the Compensation Committee or one of our executive officers and whether Meridian owned any shares of our common stock. In addition to the foregoing, the Compensation Committee received an independence letter from Meridian, as well as other documentation addressing the firm s independence. Meridian reports exclusively to the Compensation Committee and does not provide any additional services to us. The Compensation Committee discussed these considerations and concluded that Meridian is independent and that we do not have any conflicts of interest with Meridian.

Nominating/Corporate Governance Committee

The Nominating/Corporate Governance Committee assists the Board in overseeing that the Company is governed in a manner consistent with the best interests of the Company and its stockholders. In addition, the Nominating/Corporate Governance Committee oversees the Company s ethics and compliance programs. The functions and responsibilities of the Nominating/Corporate Governance Committee pursuant to its charter include:

- developing, reviewing and assessing the adequacy of the Company s Corporate Governance Guidelines;
- identifying and recommending individuals qualified to be directors;
- evaluating and determining whether directors are independent;

recommending committee composition and chairpersons;

reviewing and making recommendations to the Board on succession planning for the Board;

reviewing and approving, prior to acceptance, the Chief Executive Officer s service on any other public company board;

monitoring the Company s charitable contributions and political spending insofar as such activities exceed or can be expected to exceed 0.5% of the pre-tax income of the Company;

overseeing the Company s ethics and compliance programs; and

reviewing the adequacy of the Nominating/Corporate Governance Committee charter on an annual basis.

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Environmental, Health, Safety, and Public Policy Committee

The Environmental, Health, Safety, and Public Policy Committee oversees the Company s environmental, health, safety and public policy matters. In addition, the Environmental, Health, Safety, and Public Policy Committee oversees the management of risks associated with such matters. The functions and responsibilities of the Environmental, Health, Safety, and Public Policy Committee pursuant to its charter include:

- reviewing reports and other information provided by management and consultants regarding material regulatory compliance and public policy matters arising out of issues related to process safety, worker safety, health, environmental, human resources, physical security, material regulatory compliance and/or legislative developments related to the refining industry;
- reporting material issues or compliance concerns included in those reports to the Board; and
- reviewing the adequacy of the Environmental, Health, Safety, and Public Policy Committee charter on an annual basis.

Finance Committee

The Finance Committee oversees the Company s capital allocation and capital investment strategies, including implementation and cost of capital. The functions and responsibilities of the Finance Committee include:

- reviewing capital allocation priorities, policies and guidelines, including the Company s cash flow forecasts, minimum cash requirements and liquidity targets;
- reviewing the Company s annual capital budget, capital strategy and significant capital expenditures and determining whether to recommend to the Board that such items be approved;
- reviewing and making recommendations to the Board with respect to new capital projects;
- periodically evaluating the performance of and returns on approved capital projects and other capital expenditures and reviewing significant cost variances; and
- reviewing the adequacy of the Finance Committee charter on an annual basis.

Executive Committee

The Executive Committee has such authority as the Board shall delegate to the committee from time to time.

Director Compensation

The Compensation Committee annually evaluates the compensation program for members of the Board who are not our officers or employees (non-management directors). In making its recommendation to the Board for non-management director compensation, the Compensation Committee reviews the form and amount of compensation paid to directors by the Company s peer group and benchmark market data provided by the compensation consultant. Based on a recommendation from the Compensation Committee, effective January 1, 2018, the Board approved the components of non-management director compensation for 2018 as set forth below. In February 2018, the Board increased the annual cash retainer from $115,000 to $116,000 to compensate non-management directors for incidental travel expenses. Members of the Board who also serve as our officers or employees do not receive additional compensation in their capacity as directors.

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For 2018, non-management directors were entitled to receive Board and Board committee retainers and meeting fees payable in cash and the other compensation described in the following table. We also reimburse directors for all reasonable expenses incurred in attending Board and Board committee meetings upon submission of appropriate documentation.

		Compensation in 2018:
Board Service:		
Annual Restricted Stock Units Award (1)	$	135,000
Chairman of the Board Retainer		200,000
Annual Cash Retainer (2)		116,000
Lead Director Cash Retainer		30,000
Board Committee Service:		
Audit Committee Annual Cash Retainer		
Chairman		27,500
Member		17,500
Compensation Committee Annual Cash Retainer		
Chairman		20,000
Member		14,000
Nominating / Corporate Governance Committee Annual Cash Retainer		
Chairman		20,000
Member		14,000
Environmental, Health, Safety, and Public Policy Committee Annual Cash Retainer		
Chairman		20,000
Member		14,000
Finance Committee Annual Cash Retainer		
Chairman		20,000
Member		14,000
Other:		
Stipend for Operations-Related Consultation at Request of Management (On-Site)		2,400/day
Stipend for Operations-Related Consultation at Request of Management (Overnight)		3,600/day

(1) The annual award is comprised of a number of restricted stock units equal to $135,000 divided by the market closing price of a share of our common stock on the date of grant, with the number of restricted stock units rounded up in the case of fractional shares.

(2) Meeting fees are not paid for attendance at the first twelve Board meetings or the first twelve meetings of each Board committee during the year. Beginning with the thirteenth meeting of the Board or a Board Committee in the year, directors receive a fee of $2,000 per meeting. During 2018, no meeting fees were paid since neither the Board, nor any Board committee, met more than twelve times.

Equity Awards

Non-management directors receive an annual equity award grant in the form of restricted stock units having a fair market value of approximately $135,000 on the date of grant. These annual grants are made in the fourth quarter of the year preceding the year to which the award relates in order to align the timing of the equity award grants with the timing of the other compensation decisions made for non-management directors and with the timing of long-term equity incentive award grants for our executive officers.

Continued service on the Board through the stated vesting date for the restricted stock units, which is in most cases approximately one year following the date of grant, is required in order for the restricted stock units to become vested. The restricted stock units granted in November 2017 for the 2018 fiscal year vested on December 1, 2018. The

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restricted stock units granted in November 2018 for the 2019 fiscal year will vest on December 1, 2019. Accelerated vesting of outstanding restricted stock units will occur upon a change in control (subject to the director serving as a member of the Board immediately prior to the change in control) or the director s death, disability or retirement. Settlement of the restricted stock units in shares of our common stock occurs within 30 days of the event that caused the restricted stock units to vest. Directors do not have the rights of a stockholder with respect to the shares underlying the restricted stock units until the award vests and is settled in shares. However, directors are entitled to the payment of dividend equivalents on outstanding restricted stock units in the form of cash in an amount equal to the dividends that would have been paid with respect to the underlying shares. These dividend equivalents are not subject to forfeiture.

Nonqualified Deferred Compensation

Our non-management directors are eligible to participate in the HollyFrontier Corporation Executive Nonqualified Deferred Compensation Plan, which is not tax-qualified under Section 401 of the Internal Revenue Code and allows participants to defer receipt of certain compensation (the NQDC Plan). The NQDC Plan allows non-management directors the ability to defer up to 100% of their cash retainers and meeting fees for a calendar year. Participating directors have full discretion over how their contributions to the NQDC Plan are invested among the offered investment options, and earnings on amounts contributed to the NQDC Plan are calculated in the same manner and at the same rate as earnings on actual investments. We do not subsidize a participant s earnings under the NQDC Plan.

Mr. Myers was the only non-management director that participated in the NQDC Plan in 2018. During 2018, no above market or preferential earnings were paid to Mr. Myers under the NQDC Plan and, therefore, none of the earnings received by Mr. Myers during 2018 are included in the Director Compensation Table below. For additional information on the NQDC Plan, see Compensation Discussion and Analysis Components of our Executive Compensation Program Retirement Benefits and Perquisites Retirement Plans Deferred Compensation Plan and Executive Compensation Nonqualified Deferred Compensation.

Stock Ownership and Retention Policy for Non-Management Directors

Non-management directors are expected to acquire and hold during their service on the Board shares of our common stock equal in value to at least five times the annual Board cash retainer paid to our non-management directors (excluding any retainer paid for service on a Board committee). Directors have five years from their initial election to the Board to meet the target stock ownership requirements.

Directors are required to continuously own sufficient shares to meet the stock ownership requirements once attained. Until the directors attain compliance with the stock ownership policy, the directors will be required to hold 50% of the shares of common stock received from any equity award. If a director attains compliance with the stock ownership policy and subsequently falls below the requirement because of a decrease in the price of our common stock, the director will be deemed in compliance provided that the director retains the shares then held.

As of December 31, 2018, all of our then-current non-management directors were in compliance with the stock ownership policy or were within the five year grace period provided under the stock ownership policy.

Anti-Hedging and Anti-Pledging Policy

All of our directors are subject to our Insider Trading Policy, which, among other things, prohibits such directors from entering into short sales or hedging or pledging shares of our common stock.

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Director Compensation Table

The table below sets forth the compensation earned by each of our non-management directors in 2018.

Name(1)	Fees Earned or Paid in Cash	Stock Awards(2)	All Other Compensation	Total
Anne-Marie N. Ainsworth	$144,000	$135,034	$ 6,000(4)	$285,034
Douglas Y. Bech	$196,000	$135,034		$331,034
Anna C. Catalano	$144,000	$135,034	$ 3,600(4)	$282,634
Leldon E. Echols	$175,000	$135,034		$310,034
R. Kevin Hardage (3)	$ 72,500		$75,000(5)	$147,500
Michael C. Jennings	$332,000	$135,034		$467,034
Robert J. Kostelnik	$164,000	$135,034	$ 9,600(4)	$308,634
James H. Lee	$147,500	$135,034		$282,534
Franklin Myers	$164,000	$135,034		$299,034
Michael E. Rose	$167,500	$135,034		$302,534

(1) Mr. Damiris is not included in this table because he received no additional compensation for his service as a director. The compensation earned by Mr. Damiris in 2018 is shown under Executive Compensation Summary Compensation Table. Mr. Knocke is not included in this table because he did not serve as a director in 2018.

(2) Represents the aggregate grant date fair value of 1,982 restricted stock units granted to each non-management director on November 7, 2018 for the 2019 fiscal year (the 2019 Director Awards), determined in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 718, *Compensation Stock Compensation*, excluding the effect of estimated forfeitures. See Note 7 to our consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018, for a discussion of the assumptions used in determining the FASB ASC Topic 718 grant date fair value of these awards.

Because the 2019 Director Awards were granted during 2018, they are reported in the Stock Awards column of the Director Compensation Table for 2018 rather than 2019 in accordance with SEC rules. The annual restricted stock unit awards for the 2018 fiscal year were granted on November 8, 2017 and were reported in the Stock Awards column of the Director Compensation Table for 2017 rather than 2018 in accordance with SEC rules. For additional information regarding the annual restricted stock unit awards and grant process for non-management directors, please see Equity Awards above.

The 2019 Director Awards will vest on December 1, 2019, subject to continued service on the Board. As of December 31, 2018, the 2019 Director Awards were the only outstanding equity awards held by our non-management directors.

(3) Mr. Hardage served on the Board until the 2018 Annual Meeting of Stockholders, where he did not stand for re-election.

(4) Represents stipend paid to directors for operations-related consultation at request of management.

(5) Represents cash compensation paid to Mr. Hardage in June 2018 in connection with Mr. Hardage s decision to not stand for re-election at the 2018 Annual Meeting of Stockholders.

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Advisory Vote on the Compensation of Our Named Executive Officers

(Proposal 2)

Section 14A(a)(1) of the Exchange Act requires that we provide our stockholders with the opportunity to vote to approve, on an advisory (non-binding) basis, the compensation of our named executive officers as disclosed pursuant to the compensation disclosure rules of the SEC, including the compensation discussion and analysis, the compensation tables and any related material contained in this proxy statement.

In accordance with the preference expressed by our stockholders at our annual meeting in 2017, the Board determined that we would provide this opportunity annually until the next non-binding stockholder advisory vote on the frequency of future advisory votes on executive compensation. As described in detail under the heading Compensation Discussion and Analysis, our executive compensation programs are primarily designed to (i) attract, motivate and retain our named executive officers, who are critical to our success, (ii) provide incentives for our named executive officers to achieve and exceed our operational, financial and strategic goals and (iii) align the interests of our named executive officers with those of our stockholders. Under these programs, compensation for our named executive officers is tied to performance, including our financial results and stockholder returns. Please read the information under Compensation Discussion and Analysis, and review the compensation tables and narratives that follow, for additional details about our executive compensation programs, including information about the compensation of our named executive officers in 2018.

This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and the compensatory philosophy, policies and practices described in this proxy statement. Because your vote is advisory, it will not be binding on the Compensation Committee, the Board or the Company. However, the Board and the Compensation Committee will review the voting results and take those results into consideration when making future decisions regarding executive compensation.

Required Vote and Recommendation

The advisory vote on the compensation of named executive officers requires the approval of a majority of the votes cast on the proposal.

THE BOARD UNANIMOUSLY RECOMMENDS A VOTE FOR THE APPROVAL OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS AS DISCLOSED PURSUANT TO THE COMPENSATION DISCLOSURE RULES OF THE SEC, INCLUDING AS DISCLOSED IN THE COMPENSATION DISCUSSION AND ANALYSIS SECTION, THE ACCOMPANYING COMPENSATION TABLES AND ANY RELATED MATERIAL CONTAINED IN THIS PROXY STATEMENT.

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Executive Officers

The following sets forth information regarding the executive officers of the Company as of March 6, 2019:

Name	Age	Position
George J. Damiris	58	Chief Executive Officer and President
Richard L. Voliva, III	41	Executive Vice President and Chief Financial Officer
James M. Stump	51	Senior Vice President, Refining
Denise C. McWatters	59	Senior Vice President, General Counsel and Secretary
Thomas G. Creery	60	Senior Vice President, Commercial

Information regarding Mr. Damiris is included above under Election of Directors.

Richard L. Voliva, III has served as Executive Vice President and Chief Financial Officer of the Company since March 2017. He served as Senior Vice President, Strategy of the Company from June 2016 to March 2017. Mr. Voliva has also served as Executive Vice President and Chief Financial Officer of HLS since March 2017. Mr. Voliva served as Senior Vice President and Chief Financial Officer of HLS from July 2016 to March 2017, Vice President and Chief Financial Officer of HLS from October 2015 until July 2016, Vice President, Corporate Development of HLS from February 2015 until October 2015 and as Senior Director, Business Development of HLS from April 2014 until February 2015. Prior to joining HLS, Mr. Voliva was an analyst at Millennium Management LLC, an institutional asset manager, from April 2011 until April 2014, an analyst at Partner Fund Management, L.P., a hedge fund, from March 2008 until March 2011 and Vice President, Equity Research at Deutsche Bank from June 2005 to March 2008. Mr. Voliva is a CFA Charterholder.

James M. Stump has served as Senior Vice President, Refining (formerly called Senior Vice President, Refinery Operations) of the Company since the merger in July 2011. During his 21 years at Frontier, Mr. Stump held various positions, including serving as Vice President Refining Operations for Frontier Refining and Marketing from 2009 until July 2011 and as Vice President and Refining Manager from 2002 to 2009.

Denise C. McWatters has served as Senior Vice President, General Counsel and Secretary of the Company since January 2013. She previously served as Vice President, General Counsel and Secretary from May 2008 until January 2013 and Deputy General Counsel from October 2007 until May 2008. Prior to joining the Company, Ms. McWatters served as the General Counsel of The Beck Group from 2005 through October 2007. Ms. McWatters also has served as Senior Vice President, General Counsel and Secretary of HLS since January 2013, Vice President, General Counsel and Secretary of HLS from May 2008 until January 2013 and Deputy General Counsel of HLS from October 2007 to April 2008.

Thomas G. Creery has served as Senior Vice President, Commercial of the Company since January 2016 and as President of HollyFrontier Refining and Marketing since February 2017. He previously served as Vice President, Crude Supply from October 2008 to January 2016 and Vice President, Crude Supply and Planning from January 2006 to October 2008. Prior to joining the Company, Mr. Creery served at Unocal Corporation for 25 years in a variety of locations based in Calgary, Los Angeles, Singapore and Houston.

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Compensation Discussion and Analysis

Executive Summary

This compensation discussion and analysis provides information about our compensation objectives and policies, as determined by the Compensation Committee. In addition, the compensation discussion and analysis is intended to place in perspective the information contained in the executive compensation tables that follow this discussion.

Overview

We hold our executive officers accountable for our performance and for maintaining a culture of strong ethics and exemplary safety. For 2018, our named executive officers or NEOs were:

Name	Position with HollyFrontier during 2018
George J. Damiris	Chief Executive Officer and President
Richard L. Voliva, III	Executive Vice President and Chief Financial Officer
James M. Stump	Senior Vice President, Refining
Denise C. McWatters	Senior Vice President, General Counsel and Secretary
Thomas G. Creery	Senior Vice President, Commercial

The compensation of our named executive officers is also presented in the tables and related information provided under Executive Compensation below.

Certain of our named executive officers also provide services to our wholly-owned subsidiary, HLS, and HEP. HLS is the general partner of HEP Logistics Holdings, L.P., which is the general partner of HEP. We own a 57% limited partner interest and a non-economic general partner interest in HEP. During 2018, Mr. Damiris, Mr. Voliva and Ms. McWatters also served as executive officers of HLS and split their professional time between HEP and us. Mr. Damiris, Mr. Voliva and Ms. McWatters did not receive any compensation from HLS or HEP during 2018.

For 2018, Mr. Damiris, Mr. Voliva and Ms. McWatters were also named executive officers of HLS. In accordance with SEC rules, a portion of the compensation paid by us to them for 2018 was allocated to the services they each performed for HLS and HEP during 2018 and was included in the Compensation Discussion and Analysis and the accompanying narratives and tables contained in HEP s Annual Report on Form 10-K for the fiscal year ended December 31, 2018. The total compensation paid and other benefits made available to Mr. Damiris, Mr. Voliva and Ms. McWatters by us, including amounts disclosed in HEP s Annual Report on Form 10-K for the year ended December 31, 2018, are disclosed below.

2018 Business Highlights

The Compensation Committee believes that our executive management team has created significant value for our stockholders in 2018. The following are key highlights of our achievements in 2018:

Reported net income attributable to HollyFrontier stockholders of $1.10 billion, or $6.19 per diluted share and adjusted net income of $1.14 billion, or $6.44 per diluted share for the year.

Reported realized gross refining margins of $17.71 per produced barrel sold.

Reported operating cash flow of $1.6 billion.

Ended the year with a strong balance sheet, including $1.15 billion in cash and short-term investments and approximately $993 million in long-term debt (exclusive of HEP debt).

Returned $597 million to shareholders through dividends and share repurchases in 2018.

Completed the acquisition of Red Giant Oil Company LLC and entered into a definitive agreement to acquire Sonneborn, further strengthening our finished lubricants and specialty products business. The acquisition of Sonneborn was completed in February 2019.

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These achievements were taken into account in awarding 2018 annual incentive bonuses to our named executive officers. We believe the total compensation received by our named executive officers for 2018 was reflective of the Company and individual performance for the year.

Say-on-Pay Vote

At our 2018 annual meeting of stockholders, our stockholders had an opportunity to cast an advisory vote on executive compensation. At that meeting, over 93% of the votes cast by our stockholders were voted in support our executive pay program. The Compensation Committee believes this affirms our stockholders support of our approach to executive compensation, and the Compensation Committee did not make any material changes to its executive compensation program in 2018 based on the results of the advisory vote. The Compensation Committee will continue to consider the outcome of the Company s say-on-pay votes when making future compensation decisions for the named executive officers.

Stockholder-Friendly Features of Our Executive Compensation Program

The following are highlights of our compensation programs, which continue to contain stockholder-friendly features:

What We Do

We pay for performance. The vesting of 50% of the equity awards awarded to our executive officers each year is based on the Company s performance as compared to that of our industry peers, and, in 2018, a majority of the annual bonuses paid to our executive officers were based on our financial, operational and environmental and safety performance as measured against pre-established goals and in certain circumstances, relative to our industry peers.

We seek independent advice. We engage independent consultants to review executive compensation and provide advice to the Compensation Committee.

We provide minimal perquisites. Our executive officers are provided minimal perquisites by the Company. The perquisites provided must serve a business, convenience or security purpose for the Company.

We provide for double trigger provisions in agreements with our executives. Our equity award agreements and change in control severance agreements with our executives contain double trigger provisions.

We have significant stock retention requirements. We maintain a stock ownership policy for officers and directors. Our Chief Executive Officer is required to own 6x his base salary in Company stock.

We have a clawback policy. Our clawback policy requires the return of annual and long-term incentive compensation for misconduct resulting in a material financial restatement.

We seek stockholder input. We provide our stockholders with the opportunity to provide an advisory vote on our executive compensation program on an annual basis.

What We Don t Do

× *We do not have employment agreements with any of our executive officers.* None of our executive officers are party to an employment agreement with the Company.

× *We do not allow hedging or pledging*. Our policies prohibit the hedging and pledging of Company stock by directors and officers.

× *We do not provide tax reimbursements or gross-up provisions.* Our change in control severance agreements with our executive officers do not include tax reimbursement or gross-up provisions.

× *We do not maintain executive benefit plans*. Our executives participate in the same benefit plans available generally to our salaried employees, such as medical, dental, vision, long-term and short-term disability and life insurance. We do not maintain separate executive plans for any of these benefits.

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Philosophy and Objectives of Executive Compensation Program

Pay-for-Performance Philosophy

Our compensation programs are designed to remunerate named executive officers in accordance with a pay-for-performance philosophy. As such, the compensation programs are intended to provide incentives to our named executive officers, as well as other employees, to maximize operational performance and stockholder value, which in turn affects the overall compensation earned by our management.

Each named executive officer s total direct compensation is heavily influenced by company and individual performance measures. The majority of our named executive officers compensation is performance-based, at-risk pay in the form of both short-term and long-term incentives.

2018 CEO Pay Mix

2018 Other Named Executive Officers Pay Mix

Objectives

In designing the compensation program for named executive officers, the Compensation Committee sought to achieve the following key objectives:

Attract and Retain Talented and Productive Executives. The compensation program should provide each named executive officer with a total compensation opportunity that is competitive within the market. This objective is intended to ensure that we are able to attract and retain executive officers while maintaining an appropriate cost structure.

Motivate Executives. The compensation program should provide incentives for our named executive officers to achieve and exceed our operational, financial and strategic goals.

Align with Stockholders. The compensation program should align named executive officers interests with those of our stockholders, promoting actions that will have a positive long-term impact on total stockholder return.

Transparent Compensation. The elements of the compensation program should be easily understood by both our executive officers and our stockholders.

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Components of Our Executive Compensation Program

The components of the compensation program for our named executive officers are:

- base salary;
- annual incentive cash compensation;
- long-term equity incentive compensation;
- change in control and severance benefits; and
- employee retirement, health and welfare benefits and limited perquisites.

Each of these components is described in further detail in the narrative that follows. Specific information regarding 2018 compensation is included below in the section titled 2018 Executive Compensation Decisions.

Base Salary

Base salaries provide named executive officers with a predictable level of income. The Compensation Committee reviews base salaries annually and determines base salaries on the basis of market practices and each executive s position, level of responsibility, individual performance and position relative to other executives and other compensation elements. The Compensation Committee also reviews competitive market data relevant to each position provided by the compensation consultant.

Annual Incentive Cash Compensation

Under our annual incentive cash compensation program, named executive officers are eligible for cash bonuses that are designed to attract and retain senior leadership, reward achievement of financial and business goals and align executives interests with stockholders. Annual incentive cash opportunities for our named executive officers are reviewed annually and differ with the level of responsibility of each executive.

Long-Term Equity Incentive Compensation

The Compensation Committee oversees the administration of the equity plan and grants equity incentive awards to qualifying employees at its discretion. Annual awards are typically made during the fourth quarter of the year preceding the year to which the awards relate.

We view long-term equity incentive compensation as the cornerstone of the executive compensation program because we believe:

equity incentives and the related vesting periods help attract and retain executives capable of executing our business strategies;

the value received by the recipient of equity incentives is aligned with long-term value creation for our stockholders; and

equity incentives provide the closest link between our performance and the executives compensation.

In determining the appropriate amount and type of long-term equity incentive awards to be made, the Compensation Committee considers a named executive officer s position, scope of responsibility, base salary, performance and market compensation information for executives in similar positions in similar companies and prior awards. In addition, the Compensation Committee has historically considered the recommendations of our Chief Executive Officer, except in regard to his own equity awards.

Change in Control and Severance Benefits

Severance and change in control protections are provided to our named executive officers pursuant to the terms of outstanding awards granted under the equity plan and pursuant to change in control severance agreements. The award agreements related to outstanding restricted stock, restricted stock units and performance share units granted to our named executive officers include accelerated vesting provisions in the event of certain terminations of employment, including in connection with a change in control. For additional information about these provisions, see Executive Compensation Potential Payments Upon Termination or Change in Control. In addition, we have entered into change in control severance agreements with each of our named executive officers, as described below. These agreements are designed to provide benefits only in the event of a qualifying termination of employment following a change in control transaction, and do not provide any benefits without a termination of employment. None of the change in control severance agreements we have with our named executive officers contain any tax reimbursement provisions in the event a named executive officer receives potential parachute payments under Section 280G of the Code. For additional information about the severance benefits provided under the change in control agreements, see Executive Compensation Potential Payments Upon Termination or Change in Control.

Retirement Benefits and Perquisites

Retirement Plans

Defined Contribution Plan. For 2018, our named executive officers were able to participate in the HollyFrontier Corporation 401(k) Retirement Savings Plan, which is a tax-qualified defined contribution plan (the 401(k) Plan). Employees who are not eligible to participate in the NQDC Plan may contribute amounts between 0% and 75% of their eligible compensation to the 401(k) Plan, while employees who are eligible to participate in the NQDC Plan may contribute amounts between 0% and 50% of their eligible compensation to the 401(k) Plan. Employee contributions that were made on a tax-deferred basis were generally limited to $18,500 for 2018, with employees 50 years of age or over able to make additional tax-deferred contributions of $6,000.

For 2018, we made a retirement contribution of 3% to 8% of the participating employee s eligible compensation under the 401(k) Plan, subject to applicable limitations under the Code, based on years of service, as follows:

Years of Service	Retirement Contribution (as percentage of eligible compensation)
Less than 5 years	3%
5 to 10 years	4%
10 to 15 years	5.25%
15 to 20 years	6.5%
20 years and over	8%

In addition to the retirement contribution, in 2018, we made matching contributions to the 401(k) Plan equal to 100% of the first 6% of each participating employee s eligible compensation up to compensation limits. In 2018, all of our named executive officers participated in the 401(k) Plan and received matching contributions and the retirement contribution. Matching contributions vest immediately and retirement contributions are subject to a three-year cliff-vesting period.

Deferred Compensation Plan. Certain of our employees, including our named executive officers, were also eligible to participate in the NQDC Plan in 2018. The NQDC Plan provides certain members of management and other highly compensated employees an opportunity to defer compensation in excess of qualified retirement plan limitations on a pre-tax basis and accumulate tax-deferred earnings to achieve their financial goals.

Participants in the NQDC Plan can contribute between 1% and 50% of their eligible earnings, which includes base salary and bonuses, to the NQDC Plan. Participants in the NQDC Plan are also eligible to receive certain employer-provided contributions, including but not limited to matching contributions, retirement contributions and nonqualified nonelective contributions. Matching contributions and retirement contributions represent contribution amounts that could not be made under the 401(k) Plan due to limitations on tax-qualified plans under the Code. We do not provide any subsidized returns or guarantee of returns on compensation deferred by our named executive officers or other participants in the NQDC Plan. For more information regarding this plan, see Executive Compensation Nonqualified Deferred Compensation.

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Other Benefits and Perquisites

All of our executive officers are eligible to participate in the same benefit plans available generally to our salaried employees, such as medical, dental, vision, long-term and short-term disability and life insurance. We do not maintain separate executive plans for any of these benefits.

During 2018, Mr. Damiris and Mr. Voliva were permitted to use the company aircraft for personal travel, subject to a requirement that they reimburse us for all aggregate incremental costs associated with their personal use, including fuel costs, landing fees, catering charges, pilot overnight expenses and other similar charges incurred by us. In addition, we permit a named executive officer s family member to accompany the executive on a flight when the executive is traveling for business. No additional direct operating cost is incurred by us in such situations, but to the extent that Internal Revenue Service guidelines cause us to impute income to the named executive officer for such family member travel, and that travel is not business-related, the associated tax liability is the responsibility of the executive.

In addition, for security reasons as a result of our increased size and value, we reimburse our executive officers up to $9,500 per year for any out-of-pocket expenses related to security training, consulting or technology. During 2018, we also reimbursed monthly club dues for Mr. Damiris, Mr. Voliva and Mr. Stump. The Compensation Committee believes that a club membership assists these named executive officers in performing their responsibilities by providing a means for business entertainment and networking. In addition, we may also reimburse our executive officers for limited entertainment expenses that we deem to serve a business purpose and provide personal benefits to our executive officers in limited circumstances associated with executive team-building and strategy planning events. We also provide reserved parking spaces for our executive officers.

Role of Compensation Committee in Establishing Compensation

The Compensation Committee administers our executive compensation programs. The role of the Compensation Committee is to review and approve the compensation to be paid to executive officers, including the named executive officers, and to review the compensation policies and practices for all of our employees to verify that they do not create unreasonable risks for us or our stockholders.

In setting compensation for executive officers, the Compensation Committee considers, among other things, recommendations by its independent compensation consultant and management and the compensation of similarly situated executives in comparable businesses. In addition, the Compensation Committee annually reviews total compensation paid to the named executive officers for the prior year and, with the assistance of management, proposes long-term incentive compensation awards.

Role of Executive Officers in Establishing Compensation

Our Chief Executive Officer makes compensation recommendations to the Compensation Committee for the executive officers, including the named executive officers (except with respect to his own compensation). Management provides financial and compensation data to the Compensation Committee for its review in setting compensation and gives guidance as to how the data impacts performance goals set by the Compensation Committee. This data includes:

- our financial performance for the current year compared to the preceding year;
- performance evaluations of the named executive officers (other than for the Chief Executive Officer, who is evaluated by the Compensation Committee); and
- compensation provided to the named executive officers in previous years.

In addition, the Chief Executive Officer may recommend and provide rationale for discretionary bonuses for other named executive officers to the Compensation Committee. Given the day-to-day familiarity that the Chief Executive Officer has with the work performed by the other named executive officers, the Compensation Committee values his recommendations. However, the Compensation Committee makes all final decisions as to the compensation of the named executive officers.

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Role of Compensation Committee Consultant in Establishing Compensation

Since September 2011, the Compensation Committee had retained Pearl Meyer as its independent compensation consultant to advise the Compensation Committee on matters related to executive and non-management director compensation. The Compensation Committee periodically met independently with Pearl Meyer. In 2017, the Compensation Committee received competitive market data and related observations and advice from Pearl Meyer with respect to the development and structure of our executive compensation program for 2018. As discussed above under The Board, its Committees and its Compensation Board Committees Compensation Committee, the Compensation Committee has concluded that we do not have any conflicts of interest with Pearl Meyer.

In December 2017, the Compensation Committee engaged Meridian, who replaced Pearl Meyer as the independent compensation consultant to the Compensation Committee, to provide advice relating to executive compensation matters. In 2018, the Compensation Committee received competitive market data and related observations and advice from Meridian with respect to the development and structure of our executive compensation program for 2019, but Meridian did not provide any information or advice to the Compensation Committee with respect to 2018 compensation for the NEOs. As discussed above under The Board, its Committees and its Compensation Board Committees Compensation Committee, the Compensation Committee has concluded that we do not have any conflicts of interest with Meridian.

Market Review

We regularly compare our executive compensation program with market information regarding salary levels and incentive awards and programs. The purpose of this analysis is to provide a frame of reference in evaluating the reasonableness and competitiveness of our executive compensation as compared to that of companies within the energy industry that are generally comparable in size and scope of operations to us.

Market pay levels for named executive officers are obtained from the SEC filings of the companies in our comparator group. We supplement this data with, and obtain data for our named executive officers from, various sources, including published compensation surveys, which cover our industry sector and labor market. As a component of setting 2018 compensation, in September 2017, the Compensation Committee reviewed a study of compensation paid to our named executive officers prepared by Pearl Meyer. The following companies comprised the 2018 comparator group reviewed by the Compensation Committee:

Andeavor

Ashland Global Holdings Inc.

Devon Energy Corporation

Eastman Chemical Company

Fluor Corporation

Hess Corporation

Huntsman Corporation
ONEOK, Inc.

PBF Energy Inc.

Plains All American Pipeline, L.P.

PPG Industries Inc.

Valero Energy Corporation

Williams Companies, Inc.

The 2018 comparator group differs from the 2017 comparator group due to merger activity and change in company size (the 2018 comparator group added Eastman Chemical Company and Valero Energy Corporation, while deleting LyondellBasell Industries N.Y., Occidental Petroleum Corp. and Western Refining Inc.). The 2018 comparator group is different than the 2018 incentive peer group, which is used as a market comparison when determining payouts of certain performance-based incentive awards granted to named executive officers. See 2018 Executive Compensation Decisions Annual Incentive Cash Compensation for a further discussion of the 2018 incentive peer group and the reasons for the differences from the 2018 comparator group.

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2018 Executive Compensation Decisions

The Compensation Committee established 2018 total direct compensation, including base salary, annual incentive cash compensation and long-term equity incentive compensation awards, for our named executive officers at pay levels approximating the middle range of market compensation. The Compensation Committee utilized the market data provided by Pearl Meyer and internal evaluations of the named executive officers to establish total compensation opportunities for the named executive officers that are consistent with this objective.

Based on the 2018 annual review of compensation, the Compensation Committee believes that 2018 compensation for the named executive officers reflects appropriate allocation of compensation between salary, bonuses and equity compensation, with a majority of the compensation being performance-based, at-risk pay in the form of both short-term and long-term incentives.

Base Salary

The Compensation Committee establishes base salaries within a competitive range to provide our named executive officers with compensation consistent with their responsibilities, their experience, their individual performance and our peers. In the fourth quarter of 2017, the Compensation Committee conducted its annual review of base salaries and market survey data for our named executive officers and determined that increases in the base salaries of the named executive officers were warranted based on factors such as our financial performance, market levels of compensation for comparable positions and internal pay equity. The following table sets forth the base salaries for 2017 and 2018 of our named executive officers:

Name and Title	2017 Base Salary	2018 Base Salary(1)	Percentage Change
George J. Damiris Chief Executive Officer and President	$ 1,100,000	$ 1,250,000	13.6%
Richard L. Voliva, III Executive Vice President and Chief Financial Officer	$ 500,000	$ 650,000(2)	30.0%
James M. Stump Senior Vice President, Refining	$ 525,000	$ 550,000	4.8%
Denise C. McWatters Senior Vice President, General Counsel and Secretary	$ 500,000	$ 550,000	10.0%
Thomas G. Creery Senior Vice President, Commercial	$ 425,000	$ 500,000(3)	17.6%

(1) Represents changes effective January 1, 2018.

(2) Increase partially due to 2018 being the first full year Mr. Voliva served as Executive Vice President and Chief Financial Officer. He was appointed to the position in March 2017.

(3) Increase partially due to 2018 being the first full year Mr. Creery served as President of HollyFrontier Refining & Marketing.

Annual Incentive Cash Compensation

In the fourth quarter of 2017, the Compensation Committee approved target award levels as well as all other terms of the annual incentive cash compensation awards granted to our named executive officers for 2018. These awards were subject to our achievement of specified levels of performance with respect to certain financial and environmental, health and safety measures, as well as individual performance measures for certain named executive officers.

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No changes were made to the annual incentive cash compensation for 2018 as compared to 2017. The following table sets forth the minimum, target and maximum award opportunities (as a percentage of annual base salary) for our named executive officers for 2018, and the portion of each named executive officer s target award opportunity that is allocated to each performance measure (as percentage of the annual bonus awards and as a percentage of annual base salary).

	Award Opportunities			Allocation Among Performance Measures (as a percentage of the annual bonus award)			Allocation Among Performance Measures (as a percentage of annual base salary)		
Name	Minimum	Target	Maximum	Financial Measures	Environmental, Health and Safety	Individual	Financial Measures	Environmental, Health and Safety	Individual
George J. Damiris	50%	150%	300%	80%	20%		120.0%	30.0%	
Richard L. Voliva, III	50%	85%	170%	70%	20%	10%	59.5%	27.0%	8.5%
James M. Stump	50%	75%	150%	70%	20%	10%	52.5%	15.0%	7.5%
Denise C. McWatters	50%	75%	150%	70%	20%	10%	52.5%	15.0%	7.5%
Thomas G. Creery	50%	75%	150%	70%	20%	10%	52.5%	15.0%	7.5%

The financial measures are weighted more heavily than the environmental, health and safety measures in order to incentivize and reward the named executive officers for overall company performance and to promote stockholder value creation. Awards are capped to avoid encouraging an excessive short-term focus, potentially at the expense of long-term performance.

To facilitate timely determination of award payouts, the measurement period for each of the above metrics covers four consecutive quarters starting with the fourth quarter of the preceding year (2017) and ending with the third quarter of the following year (2018).

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Financial Measures. The Compensation Committee allocates the majority of each named executive officer s bonus opportunity to financial performance in order to align the financial interests of our executive officers with the interests of our stockholders and our Business Improvement Plan. The following equally-weighted criteria are used to determine overall performance under the financial measures metric:

Criteria	What It Means	Why It s Used
Refinery Reliability	Percentage Lost Profit Opportunity (LPO), defined as foregone gross margin that results from operational variance due to factors within the Company s control, specifically including human and equipment performance, divided by the sum of actual gross margin plus LPO.	Measures the percentage of earnings or margin forgone due to unplanned operational issues.
Equipment Utilization	Actual crude throughput for the performance period divided by the planned crude throughput for the performance period. Planned crude throughput is reflected in the Company s annual volumetric plan, as updated with monthly optimized plans, which reflect 100% of the actual crude processing for which there is an economic incentive during the given period.	Principal driver of overall profitability.
Operating Expense	Measurement of actual controllable and fixed operating costs versus budgeted amounts; budgeted amounts are subject to revision by the Compensation Committee in its discretion based on changes in the business conditions or configuration of the business (e.g., items such as acquisitions or divestitures, unusual or non-recurring charges and changes in staffing relating to changed strategy approved by the Board will be considered as items for potential adjustment).	Directly aligns with the Company s cost management strategy.
Return on Capital Employed	Operating income before depreciation and amortization (excluding asset impairments, non-cash asset writedowns and inventory valuation gains or losses) divided by average capital employed during the period, where capital employed means the sum of debt plus shareholders equity plus minority interests less cash and marketable securities less intangible assets less goodwill.	Measures both the Company s income production and capital effectiveness.

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The return on capital employed metric is compared to the performance of the 2018 incentive peer group, which includes the following:

- Andeavor
- CVR Energy Inc.
- Delek US Holdings, Inc.
- Marathon Petroleum Corporation
- PBF Energy Corporation
- Phillips 66
- Valero Energy Corporation

The 2018 incentive peer group differs from the 2017 incentive peer group due to merger activity (the 2018 incentive peer group added CVR Energy Inc. and Phillips 66, while deleting Alon USA Energy, Inc. and Western Refining Company). We compare the return on capital employed metric against that of these companies because their collective performance reflects external economic conditions we are facing as a company and as an industry as a whole, and they are also companies with which both management and investment analysts compare our results. The 2018 incentive peer group differs from the 2018 comparator group because the 2018 incentive peer group includes companies that are too large in size or that significantly differ in ownership and management composition from us to be suitable comparisons for determining and establishing competitive pay data for our executives.

The table below sets forth the threshold, target and maximum performance levels for each financial metric and the actual results for the financial metrics in 2018:

Metric	Threshold	Target	Maximum	Actual for 2018	Percent of Target Bonus Achievement
Financial Metrics					87.5%
Refinery Reliability	8%	6%	less than 4%	6.5%	
Equipment Utilization	95%	97%	greater than 99%	96.8%	
Operating Expense	103%	101%	less than 99.5%	104.9%	
Return on Capital Employed (as compared to peer group)	7th	average of 4th and 5th	1st	2nd	

In addition, for the financial metrics:

- If performance results on the refining reliability, equipment utilization or operating expense metric are below the applicable threshold, the executive will not receive a payout on such metric.
- If performance results on refining reliability, equipment utilization or operating expense metric are between threshold and target or target and maximum, the payout is interpolated between the applicable percentages.
- Since our performance on the return on capital employed metric is ranked versus the incentive peer group, the payout is:
  - 167% if we are ranked second,
  - interpolated between target and 167% if we re ranked between second and target,
  - interpolated between threshold and target if we re ranked between seventh and target, and
  - zero if we re ranked eighth (last).

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Environmental, Health and Safety Measures. The Compensation Committee selected this metric because it reflects one of our key business objectives, drives our overall performance and promotes accountability. Our performance with respect to the following equally-weighted criteria, as compared to our performance for the prior year, is used to determine performance under the environmental, health and safety metric:

Criteria	What It Means	Why It s Used
Personal Safety	Measured by the OSHA 300 recordable incident rate (for our employees).	Measures our ability to provide safe working conditions for our employees and directly aligns with our Company s values of health and safety.
Process Safety	Measured by the annual process safety incident rate (using API 754 Tier 1 and Tier 2 incident reporting).	Measures our ability to manage the integrity of our processes and equipment that handle hazardous substances by designing appropriate safety systems into our processes and equipment.
Environmental Events	Measured by the number of numerical releases, spills, permit exceedances and violations (normalized for effects of startup of new continuous emission monitors brought online during the performance period).	Measures our ability to minimize environmental impact.

For environmental, health and safety measures, the incident rate or the number of incidents for each component, as applicable, will be compared to the incident rate or the number of incidents, as applicable, in the prior 3-year period and the total percentage change will determine the environmental, health and safety performance. The payout is based 80% on the performance of our US refineries and 20% on the performance of our non-US refineries. The table below sets forth the threshold, target and maximum payout levels for environmental, health and safety measures based on the percentage change in the incident rate or the number of incidents, as applicable, as compared to the prior 3-year period and the actual results for the environmental, health and safety metrics in 2018:

Metric	Threshold	Target	Maximum	Actual for 2018	Bonus Achievement
Environmental, Health and Safety					186.7%
Personal Safety	no change	decrease by 3%	decrease by 10%	US refineries decrease by 14% Non-US refinery increase in incidents by 157%	
Process Safety	no change	decrease by 3%	decrease by 10%	US refineries decrease by 18% Non-US refinery decrease by 75%	

Environmental Events	no change	decrease by 3%	decrease by 10%	US refineries decrease by 12.8% Non-US refinery decrease by 12.5%

In addition, for the environmental, health and safety metrics:

If there is an increase in the incident rates or the number of incidents, as applicable, the payout for such metric is zero.

If performance results on any environmental, health and safety metric are between threshold and target or target and maximum, the payout for such metric is interpolated between the applicable percentages.

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Individual Performance Measures. In addition to the metrics mentioned above, a portion of the award for each of the named executive officers (other than Mr. Damiris) was based on the Compensation Committee s evaluation of the executive officer s individual performance during the year. The Compensation Committee considers various criteria such as interpersonal effectiveness, business conduct, professional and technical development, leadership and results orientation. The evaluation is discretionary and based on a wide range of considerations which often change over the course of the year. Further, the Compensation Committee may exercise its discretion and increase, decrease or eliminate awards based on individual performance for any named executive officer.

2018 Performance. The following table sets forth the named executive officers target bonus as a percentage of base salary and the actual payouts to the named executive officers for 2018 as a percentage of base salary, including payments made based on our achieving 87.5% of the target financial measures and 186.7% of the target environmental, health and safety measures and the bonuses awarded for individual performance.

Name	Target Bonus	Financial Measures	Environmental, Health and Safety	Individual	Percentage of Base Salary Earned	Percentage of Target Bonus Earned
George J. Damiris	150%	105.0%	56.0%		161.0%	107.3%
Richard L. Voliva, III	85%	52.1%	31.7%	12.8%	96.6%	113.6%
James M. Stump	75%	45.9%	28.0%	7.5%	81.4%	108.6%
Denise C. McWatters	75%	45.9%	28.0%	11.3%	85.2%	113.6